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Rick Soehren
CALFED Bay-Delta Program
1416 Ninth Street, Suite 1155
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Re: Water Use Efficiency Common Program - Draft Agricultural
Discussion Paper

Dear Rick:

Having reviewed the Draft Agricultural Discussion Paper, I offer my comments with constructive intent, but without a clear understanding of how the outlined program can contribute to a Bay/Delta solution.

On page 4, CALFED defines water use efficiency as "...the implementation of local water management actions that contribute to the achievement of CALFED goals and objectives". "State" and "federal" should be added to "local water management actions" to broaden the range of available tools, and to establish enabling institutions to translate local actions into achievement of CALFED goals and objectives.

The definition is supplemented with a statement that "physical efficiency" is the responsibility of the program, but not "economic efficiency". This is a puzzling statement given the pronouncements that CALFED will be seeking market based tools to promote water use efficiency. Presumably, the advantage of market based tools is that they provide a re-allocation of water resources based on economic value. Either we should give up on the pretense of market based mechanisms to achieve efficiency, or begin a robust discussion on supply functions, demand functions, and the necessary transfer of water to make a market system work. The use of incentives, disincentives, or subsidies does not constitute a market based tool.

The discussion paper states that "The water use efficiency common program will focus on promoting actions that increase water supply reliability, such as those under the physical efficiency definition, but will encourage similar or related actions that achieve other CALFED objectives, particularly those related to water quality and ecosystem quality". This focus should be broadened to provide equal weight to water and ecosystem quality. Without a focus on solution driven objectives, including water and ecosystem quality, we will not make progress in achieving an effective agricultural water use efficiency program.

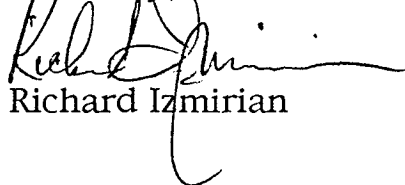
It is questionable whether or not the weak tools presented in the paper even succeed in addressing the limited general and agricultural objectives listed for water use efficiency. If the basis of the agricultural water use efficiency program is the AB3616 agricultural MOU, strong assurances will be needed that regulatory mechanisms will be triggered with rigorous enforcement if water efficiency milestones are not reached. The agricultural MOU appears to be much ado to maintain the status quo.

Tool number 7 is the only tool addressing overall CALFED objectives. This section is too vague and conditional, however, to provide any expectation that an effective multiple benefit program will be developed.

This again begs the question I asked at the Water Use Efficiency Work group meeting in December. As currently scoped, what is the relevance of the work group's effort to the overall CALFED mission?

An alternative approach would be to start with a look at a Bay/Delta solution, determine what is needed in terms of water use efficiency to achieve that solution, and then set specific targets that must be achieved at various water management levels to make the solution a reality. This would necessarily broaden the scope of water use efficiency, and give new relevance to the toolbox.

Sincerely,



Richard Izmirian